

Message Text

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PAGE 01 PRETOR 05468 141110Z

ACTION AF-10

INFO OCT-01 IO-14 ISO-00 SP-02 USIA-15 AID-05 EB-08
NSC-05 TRSE-00 SS-15 STR-05 OMB-01 CEA-01 CIAE-00
COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06
LAB-04 SIL-01 L-03 H-02 DODE-00 PA-02 PRS-01
/113 W

-----003157 150508Z /20

R 141020Z OCT 77

FM AMEMBASSY PRETORIA
TO SECSTATE WASHDC 9198
INFO AMEMBASSY LUSAKA
AMEMBASSY GABORONE
USMISSION USUN NEW YORK
AMEMBASSY MAPUTO
AMCONSUL JOHANNESBURG POUCH
AMCONSUL DURBAN POUCH
AMCONSUL CAPE TOWN POUCH

UNCLAS PRETORIA 5468

E.O. 11652: N/A

TAGS: EFIN, RH, SF

SUBJECT: Rhodesia Devalues Currency

1. SOUTH AFRICAN PRESS REPORTS ANNOUNCEMENT OCT13 BY RHODESIAN
FINANCE MINISTER DAVID SMITH THAT RHODESIAN DOLLAR BEING DEVALUED
BY 30 0/0 AGAINST THE RAND AND 6 0/0 AGAINST ALL
OTHER CURRENCIES. IN MAKING ANNOUNCEMENT, SMITH STATE THAT DUE TO
PROLONGED INTERNATIONAL RECESSION AND GENERAL DECLINE IN COMMODITY
PROCES, " RHODESIA IS EXPERIENCING MOST UNFAVORABLE TERMS OF TRADE
SINCE 1965." SMITH ESTIMATED DEVALUATION WOULD CAUSE ABOUT 0.5 0/0
INCREASE IN CONSUMER PRICES. PRIOR TO DEVALUATION, RHODESIAN DOLLAR WAS

BEING QUOTED HERE AT R1.33 AND US\$1.60. STATED LEVELS
OF DEVALUATION WOULD REDUCE THIS TO ABOUT R1.29
AND US\$1.50 BUT ACTUAL RATES WILL ONLY BE ANNOUNCED TODAY.

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2. COMMENT: WHILE ACTUAL AMOUNT OF DEVALUATION IS SMALL,
DECISION REFLECTS GROWING PRESSURES ON RHODESIAN BALANCE OF PAYMENTS
DUE TO WEAKENING OF MINERAL EXPORTS AND IMPORT REQUIREMENTS OF
DEFENSE EFFORT. FALL OFF IN MINERAL EXPORTS BELIEVED TO REFLECT
CHIEFLY DECLINING WORLD-WIDE DEMAND FOR MINERALS AND PARTICULARLY
DEPRESSED STATE OF STEEL INDUSTRY. ALSO GREATER WORLD-WIDE

ATTENTION BEING PAID TO RHODESIAN SANCATIONS APPEARS TO BE AFFECTING
RHODESIA'S ABILITY TO MARKET MINERAL EXPORTS LIKE CHROME IN SITUATION

OF GENERAL MARKET OVER SUPPLY. AS A CONSIDERABLE AMOUNT OF DEFENSE
GOODS

MUST BE IMPORTED, SIDE EFFECT OF THE DEVALUATION WILL BE TO PUT INCRE-

ASING PRESSURE ON THE ALREADY TIGHT RHODESIAN BUDGET. RAND DAILY
MAIL SPECULATES THIS MAY BE ONLY FIRST OF SEVERAL
DEVALUATIONS. BOWDLER

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Message Attributes

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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 14-Oct-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Exemptions: n/a
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 914457
Secure: OPEN
Status: NATIVE
Subject: RODESIA DEVALUES CURRENCY
TAGS: EFIN, RH, SF
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/83dfc02e-c288-dd11-92da-001cc4696bcc
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